

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

DEC 09 2008

OCD-ARTESIA

Form C-141
Revised October 10, 2003

Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

WSEB0832440299 OPERATOR ☒ Initial Report ☐ Final Report

Name of Company - Tandem Energy 236183	Contact - Brandi Barthels
Address - 120 S. Main Suite 350 Victoria, TX 77901	Telephone No. - 361-576-0180
Facility Name - Ballard Grayburg San Andres #3 (8-3)	Facility Type - Well
BALDARD GRAYBURG SAN ANDRES UNIT 003	
Surface Owner - BLM	Mineral Owner - BLM
Lease No.	

30 015 03295

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
C	5	18S	29E	990	FNL	2310	FWL	Eddy

Latitude 32 46.862' N Longitude 104 05.880' W

NATURE OF RELEASE

Type of Release - Produced Water/Oil	Volume of Release - 10/1 bbls	Volume Recovered - None
Source of Release - Leak from Flowline	Date and Hour of Occurrence - 10/22/08	Date and Hour of Discovery - 10/22/08
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom?	
By Whom?	Date and Hour	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse.	

If a Watercourse was Impacted, Describe Fully.*

Describe Cause of Problem and Remedial Action Taken.* Produced water and oil leaked from the flowline near the wellhead. Area affected is 4' x 225'. Using the NMOCD Guidelines for Remediation of Leaks and Spills, the ranking criteria for the site is as follows. Wellhead protection - 0 points. Surface body of Water - 0 points. Groundwater - 0 points. The nearest groundwater data shows >220' using data from a borehole drilled on the Tandem - BGSA #4Q (6-4) Site. Total ranking criteria for the site is 0 points.

Describe Area Affected and Cleanup Action Taken.* Using a ranking criteria of 0 points, Tandem proposes to use the following Recommended Action Levels for the delineation of the spill. TPH 8015M - 5,000ppm, Benzene and BTEX 100ppm (using a field soil vapor headspace measurement). Chloride - 1,000 ppm.

After vertical and horizontal delineation has been completed a remediation plan will be formulated and submitted to the NMOCD for approval.

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: Brandi Barthels	OIL CONSERVATION DIVISION	
Printed Name: Brandi Barthels	DENIED	
Title: Regulatory & Environmental Affairs Manager	Approved by District Supervisor:	Approval Date:
E-mail Address: bbarthels@platenergy.com	Expiration Date:	Conditions of Approval:
Date: 12-6-08 Phone: 361-576-0180	Attached <input type="checkbox"/>	

* Attach Additional Sheets If Necessary

2RP-269

WELL RECORD & LOG**OFFICE OF THE STATE ENGINEER****www.ose.state.nm.us**

1. GENERAL AND WELL LOCATION	POD NUMBER (WELL NUMBER)				OSE FILE NUMBER(S)			
	WELL OWNER NAME(S) Tandem Energy Corporation				PHONE (OPTIONAL) 432-686-7136			
	WELL OWNER MAILING ADDRESS 200 N. Lorraine Street, Suite 500				CITY Midland		STATE TX	ZIP 79701
	WELL LOCATION (FROM GPS)	DEGREES	MINUTES	SECONDS	* ACCURACY REQUIRED: ONE TENTH OF A SECOND * DATUM REQUIRED: WGS 84			
		LATITUDE	32	46				
	LONGITUDE	104	6	48.00 W				
DESCRIPTION RELATING WELL LOCATION TO STREET ADDRESS AND COMMON LANDMARKS SB-1 Ballard Grayburg San Andres #4Q (6-4)								
2. OPTIONAL	(2.5 ACRE) 1/4	(10 ACRE) 1/4	(40 ACRE) 1/4	(160 ACRE) 1/4	SECTION 6	TOWNSHIP 18	RANGE 29	<input type="checkbox"/> NORTH <input checked="" type="checkbox"/> SOUTH <input type="checkbox"/> EAST <input type="checkbox"/> WEST
	SUBDIVISION NAME				LOT NUMBER	BLOCK NUMBER	UNIT/TRACT	
	HYDROGRAPHIC SURVEY					MAP NUMBER	TRACT NUMBER	
3. DRILLING INFORMATION	LICENSE NUMBER 1478		NAME OF LICENSED DRILLER Edward Bryan			NAME OF WELL DRILLING COMPANY Straub Corporation		
	DRILLING STARTED 09/08/08		DRILLING ENDED 09/08/08		DEPTH OF COMPLETED WELL (FT)	BORE HOLE DEPTH (FT) 220	DEPTH WATER FIRST ENCOUNTERED (FT)	
	COMPLETED WELL IS: <input type="checkbox"/> ARTESIAN <input checked="" type="checkbox"/> DRY HOLE <input type="checkbox"/> SHALLOW (UNCONFINED)						STATIC WATER LEVEL IN COMPLETED WELL (FT)	
	DRILLING FLUID: <input checked="" type="checkbox"/> AIR <input type="checkbox"/> MUD <input type="checkbox"/> ADDITIVES - SPECIFY:							
	DRILLING METHOD: <input checked="" type="checkbox"/> ROTARY <input type="checkbox"/> HAMMER <input type="checkbox"/> CABLE TOOL <input type="checkbox"/> OTHER - SPECIFY:							
	DEPTH (FT)		BORE HOLE DIA. (IN)	CASING MATERIAL	CONNECTION TYPE (CASING)	INSIDE DIA. CASING (IN)	CASING WALL THICKNESS (IN)	SLOT SIZE (IN)
	FROM	TO						
	0	220	5	N/A				
4. WATER BEARING STRATA	DEPTH (FT)		THICKNESS (FT)	FORMATION DESCRIPTION OF PRINCIPAL WATER-BEARING STRATA (INCLUDE WATER-BEARING CAVITIES OR FRACTURE ZONES)	YIELD (GPM)			
	FROM	TO						
METHOD USED TO ESTIMATE YIELD OF WATER-BEARING STRATA					TOTAL ESTIMATED WELL YIELD (GPM)			

FOR OSE INTERNAL USE

WELL RECORD & LOG (Version 6/9/08)

FILE NUMBER	POD NUMBER	TRN NUMBER
LOCATION	PAGE 1 OF 2	

5. SEAL AND PUMP	TYPE OF PUMP: <input type="checkbox"/> SUBMERSIBLE <input type="checkbox"/> JBT <input type="checkbox"/> NO PUMP - WELL NOT EQUIPPED <input type="checkbox"/> TURBINE <input type="checkbox"/> CYLINDER <input type="checkbox"/> OTHER - SPECIFY:						
	ANNULAR SEAL AND GRAVEL PACK	DEPTH (FT)		BORE HOLE DIA. (IN)	MATERIAL TYPE AND SIZE	AMOUNT (CUBIC FT)	METHOD OF PLACEMENT
		FROM	TO				
		220	2				
	2	0	5	Cement	Topload		

6. GEOLOGIC LOG OF WELL	DEPTH (FT)		THICKNESS (FT)	COLOR AND TYPE OF MATERIAL ENCOUNTERED (INCLUDE WATER-BEARING CAVITIES OR FRACTURE ZONES)	WATER BEARING?		
	FROM	TO			<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO	
		0	2	2	Tan fine sand/caliche	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
		2	7	5	Brown fine sand/Red fine sand	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
		7	9	2	Tan fine sand/sandstone	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
		9	12	3	Tan fine sand with tan clay	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
		12	18	6	Red sandy clay	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
		18	20	2	Red fine sand/red clay	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
		20	24	4	Red fine sand/sandstone	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
		24	28	4	Tan fine sand/sandstone/caliche	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
		28	31	3	Tan fine sand/sandy clay	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
		31	32	1	Red sandy clay	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
		32	41	9	Red silty tan fine sand/sandstone with clay	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
		41	49	8	Red fine sand/clay	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
		49	79	30	Tan fine sand/gravel	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
		79	81	2	Tan fine sand/calclified sandstone	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
		81	102	21	Red fine sand/gravel with silty clay	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO
	102	143	41	Tan reddish fine-very fine sand/sandstone w/clay	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO	
	143	154	11	Reddish tan very fine sand/gravel	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO	
ATTACH ADDITIONAL PAGES AS NEEDED TO FULLY DESCRIBE THE GEOLOGIC LOG OF THE WELL							

7. TEST & ADDITIONAL INFO	WELL TEST	METHOD: <input type="checkbox"/> BAILER <input type="checkbox"/> PUMP <input type="checkbox"/> AIR LIFT <input type="checkbox"/> OTHER - SPECIFY:	
		TEST RESULTS - ATTACH A COPY OF DATA COLLECTED DURING WELL TESTING, INCLUDING START TIME, END TIME, AND A TABLE SHOWING DISCHARGE AND DRAWDOWN OVER THE TESTING PERIOD.	
	ADDITIONAL STATEMENTS OR EXPLANATIONS:		

8. SIGNATURE	THE UNDERSIGNED HEREBY CERTIFIES THAT, TO THE BEST OF HIS OR HER KNOWLEDGE AND BELIEF, THE FOREGOING IS A TRUE AND CORRECT RECORD OF THE ABOVE DESCRIBED HOLE AND THAT HE OR SHE WILL FILE THIS WELL RECORD WITH THE STATE ENGINEER AND THE PERMIT HOLDER WITHIN 20 DAYS AFTER COMPLETION OF WELL DRILLING:	
	_____ SIGNATURE OF DRILLER	_____ DATE

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WELL RECORD & LOG (Version 6/9/08)

FILE NUMBER	POD NUMBER	TRN NUMBER
LOCATION	PAGE 2 OF 2	

5. SEAL AND PUMP	TYPE OF PUMP: <input type="checkbox"/> SUBMERSIBLE <input type="checkbox"/> JET <input type="checkbox"/> NO PUMP - WELL NOT EQUIPPED <input type="checkbox"/> TURBINE <input type="checkbox"/> CYLINDER <input type="checkbox"/> OTHER - SPECIFY:						
	ANNULAR SEAL AND GRAVEL PACK	DEPTH (FT)		BORE HOLE DIA. (IN)	MATERIAL TYPE AND SIZE	AMOUNT (CUBIC FT)	METHOD OF PLACEMENT
		FROM	TO				
		220	2				
	2	0	5	Cement		Topload	

6. GEOLOGIC LOG OF WELL	DEPTH (FT)		THICKNESS (FT)	COLOR AND TYPE OF MATERIAL ENCOUNTERED (INCLUDE WATER-BEARING CAVITIES OR FRACTURE ZONES)	WATER BEARING?	
	FROM	TO				
	154	185	31	Tan very fine silty sand/red very fine sand layers with clay	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
	185	193	8	Brownish red silty sand/clay	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
	193	203	10	Tan silty sand with clay	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
	203	220	17	Tan fine sand/sandstone	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
					<input type="checkbox"/> YES <input type="checkbox"/> NO	
					<input type="checkbox"/> YES <input type="checkbox"/> NO	
					<input type="checkbox"/> YES <input type="checkbox"/> NO	
					<input type="checkbox"/> YES <input type="checkbox"/> NO	
					<input type="checkbox"/> YES <input type="checkbox"/> NO	
					<input type="checkbox"/> YES <input type="checkbox"/> NO	
					<input type="checkbox"/> YES <input type="checkbox"/> NO	
					<input type="checkbox"/> YES <input type="checkbox"/> NO	
					<input type="checkbox"/> YES <input type="checkbox"/> NO	
	ATTACH ADDITIONAL PAGES AS NEEDED TO FULLY DESCRIBE THE GEOLOGIC LOG OF THE WELL					

7. TEST & ADDITIONAL INFO	WELL TEST	METHOD: <input type="checkbox"/> BAILER <input type="checkbox"/> PUMP <input type="checkbox"/> AIR LIFT <input type="checkbox"/> OTHER - SPECIFY:			
		TEST RESULTS - ATTACH A COPY OF DATA COLLECTED DURING WELL TESTING, INCLUDING START TIME, END TIME, AND A TABLE SHOWING DISCHARGE AND DRAWDOWN OVER THE TESTING PERIOD.			
	ADDITIONAL STATEMENTS OR EXPLANATIONS: soil boring only - plugged after sampling				

8. SIGNATURE	THE UNDERSIGNED HEREBY CERTIFIES THAT, TO THE BEST OF HIS OR HER KNOWLEDGE AND BELIEF, THE FOREGOING IS A TRUE AND CORRECT RECORD OF THE ABOVE DESCRIBED HOLE AND THAT HE OR SHE WILL FILE THIS WELL RECORD WITH THE STATE ENGINEER AND THE PERMIT HOLDER WITHIN 20 DAYS AFTER COMPLETION OF WELL DRILLING:	
	Edward Bryan <small>Digitally signed by Edward Bryan DN: cn=Edward Bryan, o=Straub Corporation, ou, email=info@straubcorporation.com, c=US Date: 2008.09.10 09:58:37 -0500</small>	September 10, 2008
	SIGNATURE OF DRILLER	DATE

FOR OSE INTERNAL USE

WELL RECORD & LOG (Version 6/9/08)

FILE NUMBER	POD NUMBER	TRN NUMBER
LOCATION	PAGE 2 OF 2	